



# CALPEEK

## CALIFORNIA POLITICAL WEEK

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### **CAMPAIGN 2003: RECALL MADNESS**

Editor's note: As *Calpeek* hit deadline last week, U.S. Rep. Darrell Issa (R-Vista) and Insurance Comm. John Garamendi (D) were still in the running. No longer. But there is a huge field of candidates who have paid \$3,500 and have collected at least 65 valid signatures to be on the Oct. 7<sup>th</sup> recall ballot. This story changes every 12-24 hours. Here is *Calpeek's* update & analysis in *bullet form*...

◆ ***Saving Gray Davis*** – Republican sources are in agreement: Gov. Davis is political *toast*. GOP spin MD Sean Walsh described Davis as being in a "melt down." Anti-recall GOPers (and there are some who oppose the recall because they think it's a misuse of the recall laws) are in a minority. Demos sources are evenly *split*: some agree with the GOP; others think with a very focused effort (meaning a well funded campaign, good tv ads which don't offend voters, solid GOTV and an effective absentee voter program) that the recall can be defeated and Davis saved...

...FYI: there are some 678,000 permanent Demo absentee voters. Statewide there are some 1.5 million permanent absentee voters. Critical for the Demos and Davis: winning back some 300,000 Demo primary voters from 2002 who skipped the general election. According to one source, these Demos (50 years and younger) just didn't like Gray Davis. Remember: Davis beat Simon by only 390,000 votes...

...The polling from last week is about the same this week: **55% YES** on recall vs. **39% NO** on recall. New polling by Sacto-based Jim Moore also shows Davis with a **16%** favorable rating vs. **64%** unfavorable. Not good news...

● ***Legal Action*** – After *Calpeek* had gone to press last week, the Calif. Supreme Court voted to take no action on several challenges. However, there is still one legal action remaining, filed by the Southwest Voter Registration Education Project and the Southern Christian Leadership Conference of Greater L.A. The lawsuit was filed in U.S. District Court. It names CA Sec. of State Kevin Shelley (D) as defendant. According to the brief, "If the election proceeds on this date (10/7), voters in at least 6 counties – including

L.A. – will use the same punch card voting machines challenged before this Court in the *Common Cause et al v. Jones* litigation, which resulted in a consent decree decertifying these machines effective March 1, 2004." Sources think this challenge (an injunction hearing to be held 8/18) has merit...

◆ ***Arnoldmania & Turnout*** – When recall supporters began this effort, they were clueless about the massive interest this story would generate – now more than ever with Arnold Schwarzenegger in the race. Recall backers probably thought turnout would be 35-38%, based on previous statewide special elections. But news media interest, even local tv news, means that voter turnout could match the November 2002 showing of **50.7%** and probably means a turnout approaching **55-60%**. Demo pollster Jim Moore told *Calpeek* he's seeing a 10% increase in interest over last November...

◆ ***Pro vs. Anti Recall*** – When U.S. Rep. Darrell Issa dropped out of the running last week, that didn't end his involvement with *Rescue Calif.*, the recall committee chiefly responsible for funding the signature-gathering operation. According to *Rescue Calif.* sources, Issa has promised to contribute at least another million to the effort and, for the first time, is making fundraising phone calls to raise money. Schwarzenegger contributed \$50,000 to *Rescue Calif.* and sources say Bill Simon has contributed a 6-figure sum...

...The main anti-recall organization is called *Californians Against the Costly Recall*. Part I of the recall operates like an initiative – no limits on contributions. Gov. Davis has asked organized labor to give **\$10 million**. As of 8/11/03, CACR had about \$682,143 in the bank – but the Davis fundraising machine has yet to hit full stride. FYI: the original name for this committee was *Californians Against the Recall*. They added the word **costly** once the estimates for the recall began to skyrocket. The original cost was estimated at **\$30 million**. It's now **\$66 million!!!**

◆ ***The Magnificent Seven*** – There may be 247 people who filed, but our sources only see **seven** candidates as be-

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ing serious – should Part I of the recall be successful. The key event occurred on the morning of Aug. 6<sup>th</sup> when U.S. Sen. Dianne Feinstein(D) bowed out. She had taken herself out of the running in previous statements, but always seemed to leave some wiggle room – at least that's how some in the news media viewed it. Once DiFi was out, Demo unity (which was never very strong anyway) crumbled. And it's likely that Schwarzenegger's decision was largely influenced by DiFi's announcement. But our sources and polling data suggest that had DiFi run, she would have won...

... Of the serious candidates, 2 are pure GOPers: businessman and last year's GOP gubernatorial candidate Bill Simon Jr. and State Sen. Tom McClintock. There are 2 candidates who are running as populists (outsiders bucking the system): Schwarzenegger (w/GOP leanings) and columnist Arianna Huffington. There's a pure Green candidate: former gubernatorial candidate Peter Camejo. There's Peter Ueberroth, a GOPer who says he's running as an independent. And there is the pure Demo: Lt. Gov. Cruz Bustamante...

◆ *Handicapping the Horse Race* – Pollster Jim Moore's recent survey (using a projected turnout of 44%-D, 40%-R and 16%-Indep./DTS) showed Schwarzenegger with 27%, Bustamante 21%, Simon 9%, McClintock 7%, Huffington and Camejo at 4% each. Insurance Comm. John Garamendi pulled 7% in this survey. Moore thinks Garamendi's support goes to Bustamante – meaning Bustamante and Arnold are in a dead heat. A CNN-Time survey has Arnold out in front with 25% vs. Bustamante with 15%. McC has 9% in this poll vs. Simon with 7%. Huffington, Ueberroth, Larry Flint are at 4% each, but this poll also had Garamendi in the mix with 4%. Some think it's too early for horse race polling. GOP strategist Arnie Steinberg points out that the CNN poll has 39% of Demos favoring recall. Steinberg says this number won't hold as Demos fight back...

### *A Brief Look at the Top Seven*

◆ *The Terminator* – Arnold Schwarzenegger's surprise decision to run stunned everyone – from his consultant George Gorton to former L.A. Mayor Richard Riordan – Calpeek included. It was a last minute decision – or as former Iowa Congressman and now radio talk show host Fred Grandy put it on WMAL, “a Green room decision” made just before Arnold appeared on NBC-TV's *Tonight Show*. Arnold's name ID is almost 100% – and that plus some one-liners and his celeb status is what's got him in front. But he does have a base: moderate GOPers, angry White males, some Perot voters and maybe some unhappy Demos. He has won backing from the Republican Main Street Partnership, a group of moderate GOP elected officials. He's a

social moderate and this is already drawing fire from hard-line conservatives. He claims to be a fiscal conservative, but he has yet to supply details on a fiscal/budget fix. If he doesn't do it soon, this will hurt. Arnold's secret weapon is his wife, NBC reporter Maria Schriver. She's got those solid Kennedy-Demo credentials which may help pull Demo votes. Many have made a comparison to Ronald Reagan. Some similarities, but RR was a real conservative – hard-liners say Arnold is a RINO (Republican In Name Only). What about comparisons to Jesse Ventura? Too early to tell, but Ventura had an advantage that Schwarzenegger doesn't: same day voter registration. Calif. voters rejected it last year in the form of Prop. 52. And unlike Arnold, Ventura was a mayor before his election as MN governor. Arnold's naming of former Gov. Pete Wilson(R) as his comp. chair is drawing fire from Demos and Latinos because of Prop. 187 links. Front page story in the *L.A. Times*...

◆ *The LG* – Lt. Gov. Cruz Bustamante(D) broke ranks when he announced he'd run as a replacement candidate, just in case the recall against Gov. Davis was successful. How badly this has hurt him with the Demo base is yet to be determined. Ditto organized labor, who threatened any Demo who broke ranks. Bustamante is a pro-choice, pro-death penalty moderate Demo with Central Valley roots & values. He's already endorsed U.S. Sen. Joe Lieberman for president, which tells you he's not a liberal. Cruz's entry may boost Demo and Latino voter turnout – and this could help Davis. Richie Ross is Bustamante's lead consultant, with Jim Moore handling polling. Look for big Indian gaming money to flow to Cruz. Even conservative commentator Bill Kristol (on Fox Channel) said he believed Cruz is a favorite over Schwarzenegger because of the split in GOP ranks and the Demo voter base of 35-40%. Bustamante's biggest problem: how do you sell NO on the Recall – YES on Bustamante???

◆ *Simon Part II* – GOP businessman Bill Simon Jr. is the conservative with deep pockets. And it's not likely he'll repeat the same costly errors he made when he ran against Davis in 2002 and lost by only 5 points after being hit with \$30 million in negative tv ads. He's got a new team of consultants led by the savvy Wayne Johnson. Johnson nearly pulled off the only GOP upset last year when he guided Tom McClintock's campaign for controller. Simon's key message is that he was right in 2002 about the budget crisis. Watch for him to again court the conservative GOP base...

◆ *McC* – State Sen. Tom McClintock(R) is a conservative too, but he'll have to hustle to raise a competitive war-chest. Like Simon, McC has a new team led by consultant John Feliz. McC is an anti-tax crusader who is proud that

he has never voted for a budget in all the years he's been in Sacto. His key campaign promises: rescind the VLF (car tax) roll-back; cancel \$42 billion in what McC says are overpriced electricity contracts; and reform workers comp. It's a simple yet solid message. Key question: will McC have the money?? FYI: McC just won the endorsement of the CA Republican Assembly(CRA), a key grassroots conservative volunteer group. If the CRA had gone neutral, it would have been a big help to Simon...

◆ **Ms. Huffington** – In 1994 when Arianna Huffington's ex-hubby Michael spent \$34 million in an unsuccessful run against U.S. Sen. Dianne Feinstein(D), one could tell then who had the political smarts in that family. She was conservative in those days. No longer. Huffington has transformed herself into a moderate-to-liberal columnist. She's aggressive and very intelligent. She's one of the *wildcards* in this recall. Like Bustamante, she's opposes to the recall (says it is a right-wing power grab) and enjoys bashing Pres. George W. Bush (how can GOPers bash Davis for Calif.'s fiscal crisis while ignoring "the orgy of fiscal irresponsibility that the White House and the Republican Congress are presiding over."). The key question for Arianna is money. If she can raise a credible war chest, she'll pose a danger not only to Bustamante, but to Schwarzenegger and Ueberroth. She's running as an outsider. She's hired Jesse Ventura's key strategist, Bill Hillsman, and veteran media/tv and political consultant Bill Zimmerman...

◆ **Mr. Fix It** – At 65, Peter Ueberroth is the oldest candidate of the seven. Younger voters probably don't remember Ueberroth, but he's the guy who helped organize the successful 1984 L.A. Olympic Games. He was also the baseball commissioner. He's never run for office, but his name keeps popping up. He's a venture capitalist, but is not expected to self-fund, although he does have deep pockets. He's hired Bill Lord-Butcher as his lead consultant, with savvy spin MD Dan Schnur as his communications director. The strategy is that once Schwarzenegger begins to take some hits, Calif. voters will realize the recall is serious and that they need a serious candidate – or as one insider put it, "*The adult consensus candidate*." Ueberroth promises to finish out the term and no more and says he'll govern as an independent. Building up that once great name ID won't be easy without a solid war chest...

◆ **Camejo Part II** – Last November, Green Party candidate Peter Camejo got 393,000 votes or 5% of the total vote. In S.F., he got 16% of the vote. But how does he improve on that – given the competition he's got? The answer: he probably doesn't. Most thought he'd drop out if Huffington ran. Ralph Nader, the Green Party candidate

for president in 2000, recently endorsed Camejo (8/12), but got a pie in the face – and they didn't catch the culprit. Diehard Greens (156,000) will stick with Camejo, but the rest of those who voted for Camejo in 2002 likely will go for Huffington, some for Bustamante and perhaps some for Schwarzenegger...

### **THE KEY ISSUES**

● **Searching for a Budget Fix** – Media and political pundits will undoubtedly say this is the #1 issue and it may well be. And any candidate who ducks it will pay a heavy political price...

◆ **Prop. 187 Revisited** – This is a negative for Schwarzenegger, who named Pete Wilson as his campaign chair. It's not only Wilson, but many of Wilson's 1994 campaign team who are targets of Demo fire. Wilson was a key backer of 187 – aimed at illegal immigrants. On ABC's *This Week*, Wilson said Schwarzenegger was supportive of 187. As one Demo source told *Calpeek*, "Wilson does to Demos (and Latinos) what Bill Clinton did to GOPers – only Clinton is still popular with the Demo voting base." As one GOP source told *Calpeek*, "Does 187 hurt? You bet. It was a major catastrophic step backwards for the Calif. GOP." Combined with **Prop. 54** – the Racial Privacy Initiative (RPI), the race card is on the table and it could end up helping Davis beat the recall. We said could, not would...

● **VLF** – Rolling back the vehicle license fee(VLF) to 1998 levels wasn't a very popular decision at all. Yet it was necessary because GOP lawmakers refused to raise any new taxes – thus the \$4 billion in VLF revenue was the only source of new funds in this current budget – and it's not even a given that it will remain. Anti-VLF types such as McC have filed legal action to undo the rollback, and McC even has an initiative to repeal the VLF altogether. Bustamante wasn't too thrilled about the rollback either and broke with Davis over VLF. So now the Demos are scrambling to do a **tax switch** – it's legal and requires only a majority vote. Don't know how this will end up, but DOF head Steve Peace and Demo legislative leaders have asked Peace's ex-aide, Irwin Nowick, to work on a solution. It's unknown if even Nowick can fix it. Lead lawmaker will be Assemblyman Darrell Steinberg(D-Sacto), who was the architect of the *triple flip tax swap* which allowed a ½ cent sales tax from local govt. to be used to pay off the deficit bonds. Politically it may be too late to save Davis, but if this tax swap goes forward, it may end up helping Demo legislative candidates next year and Bustamante in about 50 days. Stay tuned...



**CALPEEK'S CALENDAR OF POLITICAL EVENTS**

|             |                                                             |
|-------------|-------------------------------------------------------------|
| Aug. 18     | CA Legislature convenes after summer recess.                |
| Sept. 1     | Labor Day.                                                  |
| Sept. 10-13 | League of CA Cities annual conf., Sacramento.               |
| Sept. 12    | CA Legislature adjourns.                                    |
| Sept. 12-14 | CA Republican Party fall convention, LAX Marriott Hotel.    |
| Oct. 2-4    | AAPC Academic Conf., Akron, OH                              |
| Oct. 7      | Special Recall Election – Calif.                            |
| Nov. 4      | S.F. Muni Election + other cities                           |
| Nov. 7      | VICA Business Forecast Conf., Warner Center Marriott Hotel. |
| Nov. 13     | SCAG Regional Economic forecast conf., Newport Beach.       |
| Nov. 15-18  | IAPC – Prague, Czech Republic                               |

**DOG DAYS OF SUMMER: POLITICAL SHORT TAKES.**

Editor's note: Here are a few items, political & otherwise, worth noting...

■ ***Tension on the Campaign Trail*** – Not between the Gov. Davis and his 7 rivals, but between the Calif. political press corps vs. the national press corps. At least that's the view of several consultants who have been watching over the past few days. The Calif. press corps generally thinks the national press corps has been giving Arnold Schwarzenegger a "free ride" – in other words nothing too hard hitting. Newest hit on Schwarzenegger: a 8/12/03 story in the *S.F. Chron* by Carla Marinucci, Robert Salladay & James Sterngold. The headline: **Actor has poor voting record. Schwarzenegger didn't cast ballot in 5 of past 11 elections.** Not voting is considered a "major sin" in GOP circles...

■ ***Financial Privacy Update*** – Sources say PRO and CON SB 1 forces, who have been meeting "with a level of urgency," have hammered out a compromise on a bill which would protect consumers from unauthorized buying and selling of their private financial records. Why the urgency? Aug. 20<sup>th</sup> is the deadline for submitting signatures for a very tough initiative which makes SB 1 seem mild by comparison. Polling showed the initiative winning big...

■ ***CRA Backs Strickland for U.S. Senate*** – Even though he hasn't officially launched his exploratory effort for the GOP U.S. Senate nomination, GOP Assembly Caucus Leader Tony Strickland has received the endorsement of the CA Republican Assembly(CRA)...

■ ***BOE in 2006*** – Although BOE member Claude Parrish (R) still has 3 years remaining before he's termed out, the Parrish BOE seat was redrawn to help Senate GOP Leader

Jim Brulte should he decide to run in 2006. FYI: Michelle Steel, wife of immediate past CRP Chair Shawn Steel, has filed to run here in 2006. Brulte & Shawn Steel are not what you'd call "buddies" or even "friends."...

■ ***NO on 54 Update*** – L.A. Mayor Jim Hahn has joined NAACP Board chair Julian Bond, L.A. Councilwoman Jan Perry, State Assemblyman Mark Ridley-Thomas and Calif. NAACP Conf. Pres. Alice Huffman + clergy to kick off an NAACP initiative in the L.A. area and Calif. to fight off an NAACP initiative in the L.A. area and Calif. to fight Prop. 54, the *Racial Privacy Initiative*(RPI). The NAACP National Voter Fund is a 501 C 4 – thus the organization will primarily work on GOTV effort...

**CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.**

Editor's note: Here are some items to mark down in your notebook...

● Anthony Thomas, an SCE deputy director of P/A, has been hired as LADWP's head lobbyist in Sacto. He can be reached at (916)321-5500...

● Former GOP Assembly Leader and attorney Scott Baugh of Costa Mesa has joined the law firm of Mayer, Brown, Rowe & Maw as a partner. Already there as a partner is former Assembly Speaker Bob Hertzberg(D)...

● L.A. p/a exec Harvey Englander of the MWW Group has been named a finalist for *PR News'* Public Affairs Executive of the Year award...

● San Diego businessman Philip Blair has been named to the five-member FPPC by Gov. Gray Davis. Blair is the CEO of Manpower Temporary Services...

● New address for Demo pollster Paul Goodwin: P.O. Box 366, Culver City, CA 90232. (310)558-4761...

● John Howard, legislative director for former L.A. Councilwoman Ruth Galanter, is now working for Cerrell Associates as a Sr. AE in the firm's p/a division...

● Another Galanter ex – Mike Bonin, has been hired by U.S. Rep. Jane Harman as Deputy COS working out of Harman's El Segundo office...

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